

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07
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E.O. 11652: N/A
TAGS: ENRG, ZA, RH
SUBJ: ZAMBIAN OIL SUIT PROCEEDS

1. A LUSAKA HIGH COURT JUDGE HAS RULED THAT 17 OIL COMPANIES, INCLUDING THOSE OUTSIDE THE COURT'S JURISDICTION, CAN BE SUMMONED TO ANSWER CONSPIRACY CHARGES CONCERNING RHODESIAN OIL SANCTIONS VIOLATIONS IN ZAMBIA. HE RULED THAT ZAMBIA COULD ISSUE WRITS AGAINST THE OIL COMPANIES AND THAT THE COMPANIES WOULD HAVE 40 DAYS TO APPEAR IN THE LUSAKA HIGH COURT FROM THE DAY THEY RECEIVE THEIR SUMMONS. THE FIRMS INCLUDE MOBIL PETROLEUM INCORPORATED, CALTEX PETROLEUM, CALTEX OIL ZAMBIA LIMITED, AND MOBIL OIL ZAMBIA LIMITED.

2. ZAMBIA ALLEGES THAT THE COMPANIES CONSPIRED WITH EACH OTHER AND WITH THE RHODESIAN FRONT PARTY TO INSTALL AND SUSTAIN AN "ILLEGAL MINORITY RACIST RULE" IN RHODESIA BY SUPPLYING OIL TO SOUTHERN RHODESIA IN BREACH OF UN RESOLUTIONS, ORDERS IN COUNCIL OF THE UK, AND US EXECUTIVE ORDERS. ZAMBIA IS CLAIMING DAMAGES CAUSED BY THESE ILLEGAL ACTIONS INCLUDING THE "LAYING OF MINES AND OTHER ACTS OF WAR AND PROVOCATION AGAINST ZAMBIA."

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3. ZAMBIA ALSO CHARGES A BREACH OF CONTRACTUAL OBLIGATIONS IMPOSED ON THEM (THE OIL COMPANIES) UNDER CLAUSE 18 OF THE CONSTRUCTION AND REFINING AGREEMENT BETWEEN THE OIL COMPANIES AND THE GOVERNMENT OF THE FEDERATION OF RHODESIA AND NYSALAND. ZAMBIA ALLEGES THAT

THE OIL COMPANIES FAILED

TO SUPPLY OIL TO ZAMBIA AS AGREED UNDER THE CONTRACTUAL OBLIGATIONS OF THE AGREEMENT.

4. THE HIGH COURT JUDGE RULED THAT ZAMBIA HAS JURISDICTION UNDER PROVISIONS OF THE HIGH COURT RULES TO PERMIT THE SERVING OF A WRIT ON COMPANIES OUTSIDE THE JURISDICTION OF THE COURT. THE ZAMBIAN STATE ADVOCATE SUBMITTED THAT DEFENDANTS WITHIN THE COURT'S JURISDICTION SUPPLIED INFORMATION TO THOSE OUTSIDE THE COUNTRY AND WERE THEREFORE CONSPIRATORS. HE ARGUED THAT THE ACT OF ONE CONSPIRATOR BINDS OTHER CONSPIRATORS AND OTHER DEFENDANTS OUT OF THE JURISDICTION WHO ARE THEREFORE PROPER PARTIES TO AN ACTION BROUGHT AGAINST DEFAULTERS SERVED WITHIN THE JURISDICTION. THE HIGH COURT JUDGE AGREED AND GRANTED LEAVE TO ISSUE CONCURRENT WRITS TO OVERSEAS DEFENDANTS AT THEIR SPECIFIED ADDRESSES.

5. COMMENT: IT NOW APPEARS LIKELY THAT ZAMBIA IS PURSUING LEGAL ACTION AGAINST THE ZAMBIA-BASED OIL COMPANIES AS A MEANS OF JUSTIFYING JURISDICTION OVER NON-ZAMBIA BASED COMPANIES. ZAMBIA HAS ASSURED MOBIL OIL SEVERAL TIMES THAT THE ACTION AGAINST MOBIL NEW YORK WOULD NOT AFFECT MOBIL ZAMBIA. HOWEVER, REGARDLESS OF THE REASON FOR ISSUING A WRIT AGAINST MOBIL ZAMBIA, THE ACTION WILL LIMITED OFFICIAL USE

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UNDOUBTEDLY DELAY MOBIL'S PLANS FOR ADDITIONAL INVESTMENT IN ZAMBIA. END COMMENT.
LOW

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Message Attributes

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